

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

No. 1794

Washington, D. C.

September 3, 1960

Wage-Hour Bill Dies in Conference Committee

The second session of the 86th Congress adjourned *sine die* September 1 without enacting a wage-hour bill.

Meetings of the conference committee were "recessed" on August 30 after Senate and House conferees had failed to reach agreement in reconciling

the differences between the bills passed by the House and Senate (see INFORMATION LETTER of Aug. 27).

Legislation to amend the Fair Labor Standards Act is expected to be introduced when the 87th Congress convenes next January.

Adequate Supply of Sugar Is Foreseen by USDA

Canners should have no difficulty in obtaining adequate supplies of sugar meeting the special needs for canning, for the foreseeable future.

Testifying August 26 before the House Agriculture Committee concerning proposals to extend and amend the Sugar Act, Lawrence Myers, director of USDA's Sugar Branch, reported that world supplies of sugar will be more than sufficient to meet U. S. requirements.

The main problem, Mr. Myers said, will be to obtain authorization in time to permit the ordering and procurement of sugar from additional countries, in the event that nearby suppliers such as Cuba and the Dominican Republic are cut off.

Current U. S. requirements for sugar total annually about 10 million short tons. Almost one-third of this is produced in the continental United States. Mainland sugar beet growers produce roughly 24 percent of the total, and another 7 percent is produced by sugar cane growers in Florida and Louisiana. Hawaii and Puerto Rico each supplies approximately 10 percent of the total U. S. requirement. The combined total of these so-called "domestic" production areas accounts for about one-half of the sugar requirements of the United States.

Most of the remaining requirements has been obtained in the past from Cuba and the Philippines. In 1957-59, Cuba furnished 36.5 percent and the Philippines 10.5 percent of the total U. S. sugar supply.

The quota for Cuban sugar was reduced this year by 700,000 tons, and the quota for the Dominican Republic, which had previously been only 131,000 tons, was raised to 452,000 tons. The quota for Cuba for 1960 had been 3.1 million tons.

The major potential sources of sugar for the U. S., replacing Cuba, are Brazil, Mexico, the Philippine Republic, Australia, South Africa, Argentina, and the British West Indies, for 1961 and future years.

If the Cuban supply is replaced by imports from other countries, less refined sugar would likely be imported

FTC Mails New Questionnaires in Food Industry Investigation

The Federal Trade Commission formally announced August 31 that it has begun Part II of its "Economic Inquiry into Food Marketing" with the mailing of questionnaires to all companies engaged in freezing fruit, juice concentrates, or vegetables.

The FTC announcement deals with the frozen food distribution questionnaire which was reported in the INFORMATION LETTER of Aug. 20, page 245.

The FTC announcement stated:

"The questionnaires, which must be answered by October 31, solicit information on how freezers have been affected by the concentration and integration of big buyers. They also seek to measure the relationship between freezers and their suppliers, the fruit and vegetable growers.

"FTC Chairman Earl W. Kintner said the primary aim of this section of the Commission's study is to obtain facts on marketing in the frozen food field. However, he added, 'if results of the questionnaires indicate that unfair methods of competition are being engaged in, appropriate legal proceedings will be instituted.'

"The FTC launched its economic investigation of the food industry in October, 1958, after receiving many complaints about threats to competition in the industry. Part I of the inquiry was completed last May with the publication of a 338-page report on economic concentration and integration in the retail sale of food.

"One of the principal items of information sought by the questionnaires concerns sales promotion expenditures, such as payments for cooperative advertising, furnishing and maintaining display racks and other equipment, and giving free goods, services and discounts.

"The freezers are asked to report total sales promotion expenditures to

purchasers during 1958 and 1959, then to give the amount paid during those years under sales promotion plans. Any sales promotion expenditures to purchasers not made under such a plan must be fully explained.

"In addition, the FTC seeks to trace the distribution flow of frozen foods by requiring the freezers to list sales by product and brand to each of the following classes of customers: food chains with 11 or more stores, independents and chains with less than 11 stores, other retailers, frozen food distributors, mass feeding institutions, manufacturers and processors, other plants of the same concern for further processing, and exporters.

"The companies also must report sales to their three largest and three small customers and to each of the following chains: A & P, Safeway, Kroger, American Stores, National Tea, Food Fair, Winn Dixie, First National, Grand Union, and Colonial Stores (including Albers).

"A further requirement is that the freezers report any payments made to these customers in connection with the sale of frozen fruit, juice concentrates, or vegetables.

"The Commission also seeks to determine the extent to which the freezers are integrated backwards toward sources of supply. Each freezer is asked to list the percentage of raw products obtained from its own operations, individual independent growers, growers' marketing cooperatives, and other sources.

"Additional information is requested concerning the amount of control a freezer has over its independent suppliers or the limitations of its contracts with them.

"Finally, the companies must submit an operating statement; report acquisitions and disposals from January 1, 1950, to and including December 31, 1959; and give information about production and inventory of orange juice concentrate, strawberries, corn, green peas, spinach, snap beans, and french fried potatoes."

into the United States. Only 650,000 tons (6½ percent of total U. S. requirements) of "direct consumption" (already refined) sugar is obtained annually from offshore suppliers, and one-fifth of this amount is used by the American canning and preserving industry.

The canning and preserving industry annually uses about 9 percent of all the sugar consumed in the United States. In 1959 it accounted for 17 percent of all industrial sugar consumption, or approximately 800,000 tons. One-third of that amount was consumed by fruit canners, and one-fourth by manufacturers of jams, jellies and preserves.

Last year 44 percent of all the sugar used by the canning and preserving industry was cane sugar and 40 percent was beet sugar; the remaining 16 percent was imported "direct consumption" sugar.

About 60 percent of the sugar used by the canning and preserving industry in 1959 was consumed in the Western and North Central states, where the beet sugar industry is located. The canning and preserving industry's consumption of beet sugar last year was 319,000 tons. Because of transportation costs, beet sugar does not normally reach the East and Gulf Coast market areas.

The East and Gulf sections consume principally cane sugar which is supplied by producers in Florida, Louisiana, Puerto Rico, and foreign countries. Canners and preservers in the East and Gulf Coast states last year used approximately 320,000 tons of sugar.

Survey of Salmon Packers

C. W. Bohrer, of the N.C.A. Washington Research Laboratory, is now completing extensive sanitation and retorting surveys of the Alaskan salmon canneries. He began the surveys with the assistance of Lou Germain, of American Can Co., on June 30 and has continued on his own since July 12.

Thirty-five factories had been covered by August 10, in spite of transportation difficulties caused by weather, and 15 remained on the schedule.

Mexican Farm Labor Program

A bill to extend the Mexican farm labor program for six months—to December 31, 1961—was passed by the Senate and House August 31 and cleared for the President. P.L. 78, which authorizes the program, is scheduled to expire next June 30.

Pennsylvania Regulations on Labeling Juice Drinks

The Pennsylvania Department of Agriculture has recently reaffirmed its interpretation of the State Non-Alcoholic Drinks Law with regard to fruit juice drink products that contain artificial color or artificial flavor.

Under the Department's interpretation of the Law, such products must include on their labels when applicable the words "artificially colored" or "artificially flavored." This requirement is not deemed satisfied by the inclusion of these or similar words in the ingredients statement, but the Department has approved labels with the words placed immediately above the ingredient statement, in distinctive, but not necessarily larger type.

Packers of fruit juice drink products can obtain additional information and copies of sample labels approved by the Department from the Pennsylvania Canners Association, 25 North Duke Street, York, Pa.

The Fruit Situation

Partly because of smaller deciduous fruit crops, the 1960-61 pack of canned fruits is expected to be moderately smaller than the record 1959-60 pack, according to the Agricultural Marketing Service of USDA, reporting in *The Fruit Situation*.

Reductions probably will be heavy in canned purple plums and sour cherries, and moderate in pears, apples and applesauce, it was said. But the packs of peaches, fruit cocktail, and apricots will be large again and may exceed the 1959-60 packs. Carryover stocks of most canned fruits held by

MSSA Requirements for Chili Sauce, Plums

Tentative requirements for chili sauce and canned plums from the 1960 pack to meet the needs of the armed services have been announced by the Military Subsistence Supply Agency. Procurement will be made by Headquarters, Oakland Region, MSSA, 2155 Webster St., Alameda, Calif.

	Grade	Type	Container Size	Quantity (pounds)	Quantity (cases)
Chili sauce.....	A	12/12 oz. bottle.....	1,827,000	203,000
Plums.....	A or B	I	6/10 24/2½	1,958,000 802,000	48,346 17,822

packers were somewhat larger this year than last.

According to USDA, prospects for the 1960-61 crops of oranges and grapefruit were better in early August than a year earlier in Florida and Texas, but new crop prospects were generally less favorable than a year ago in California and Arizona.

In a study of trends in apple use and consumption, USDA has reported a sharp increase in processing and a decrease in fresh use. Also, per capita consumption of fresh and processed apples combined has declined since 1935.

Use of apples for processing during 1935-39 averaged 28 million bushels, 22 percent of production. For 1955-59 use for processing had increased to an average of about 37 million bushels, 32 percent of production.

Meat Canned in July

(Agricultural Marketing Service of USDA)

	3 Lbs. & over	Under 3 Lbs.	Total
(thousands of pounds)			
Luncheon meat.....	11,253	8,172	19,425
Canned ham.....	15,268	458	15,727
Beef hash.....	198	2,441	2,639
Chili con carne.....	371	6,009	6,370
Vienna sausage.....	310	3,879	4,189
Frankfurters and wieners in brine.....	66	66	
Deviled ham.....	638	638	
Other potted and deviled meat products.....	1,531	1,531	
Tamale.....	136	1,535	1,671
Sliced, dried beef.....	27	207	234
Chopped beef.....	700	700	
Meat stew.....	232	4,453	4,685
Spaghetti meat products.....	223	6,884	7,107
Tongue (not pickled).....	35	10	45
Vinegar pickled products.....	559	1,132	1,691
Sausage.....	210	210	
Hamburger.....	605	2,181	2,786
Soups.....	886	21,234	22,120
Sausage in oil.....	297	204	501
Tripe.....	143	143	
Brains.....	124	124	
Loins and picnics.....	2,306	110	2,416
All other products 20% or more meat.....	448	5,287	5,735
All other products less than 20% meat (except soup).....	457	16,467	16,924
Total.....	33,512	84,168	117,680

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 120,236,000 pounds.

FDA Standard for Canned Sweet Potatoes

The FDA announced in the *Federal Register* of September 1 that no objections having been received, its order amending the definition and standard of identity for canned sweet potatoes will be effective September 7. The amendment permits the terms "halves," "halved," "cut," or "cuts" to be named on labels for certain forms of units. Text of the amendment was published in the INFORMATION LETTER of July 16, page 217.

Combined Retail Promotions Found Effective in USDA Study

When foods were promoted at retail by three methods at the same time, the increase in sales exceeded the sum of the increases in sales when each promotion method was used separately, according to a report by the USDA. The promotion methods studied were newspaper advertising, price reduction, and special supplementary displays.

Thirty promotions using one, two, or three of the selling methods were studied by marketing researchers in 12 Boston food supermarkets during a 28-week period in 1957, as part of a program of research designed to improve efficiency in marketing farm products.

Food products included in the study were canned tomato, grapefruit, and pineapple juices; canned cut wax beans, sweet green peas, fruit cocktail, applesauce, yellow cling and Elberta peaches; mayonnaise and salad dressing; and ground meat.

Copies of the report, *Combining Kinds of Retailer Promotions—Effect on Sales of Selected Food Products* (AMS-397), may be obtained from the Marketing Information Division, Agricultural Marketing Service, USDA, Washington 25, D. C.

New Population Centers

A list of 673 cities of 25,000 or more inhabitants in the United States, based on 1960 Census preliminary counts, has been issued by the Bureau of the Census.

In 1950 there were 483 cities in this size group.

Between 1950 and 1960 populations rose above the 25,000 mark in 195 cities, and five cities dropped out of the 25,000-and-over group.

Canned Foods for School Lunch

CANNED CORN

USDA announced September 1 the purchase of 122,475 cases of canned whole kernel corn, in No. 10 cans, using funds appropriated under the National School Lunch Act. At the same time the Department invited offers to furnish additional quantities, for delivery later in the season.

Purchases comprised 10,000 cases in Delaware at \$3.77 and \$3.82; 14,650 cases in Pennsylvania at net prices ranging from \$3.90 to \$4.00; and 97,825 cases in Maryland at net prices from \$3.90 to \$3.98. Estimated transportation costs and discounts for prompt payment were taken into consideration in making the awards, USDA said.

USDA invited offers to furnish additional quantities of canned whole kernel or whole grain corn. Offers must be received by the Fruit and Vegetable Division, Agricultural Marketing Service, USDA, by 4 p.m. September 23 for acceptance by September 30. Delivery will be required during the period October 17 through November 21.

TOMATO PASTE

USDA has extended the time in which offers of canned tomato paste for the National School Lunch Program may be submitted.

Offers may now be submitted not later than 4 p.m. EDT September 23 for acceptance by September 28. The shipping period has been extended to October 17 through November 21.

GATT Conference Opens

Multilateral tariff negotiations under the General Agreement on Tariffs and Trade opened in Geneva September 1.

During the first phase of the conference the United States and other GATT countries will negotiate with the European Economic Community (the so-called European Common Market) on the establishment of a new schedule of tariff concessions for the Common Market as a whole to replace the present individual schedules of the six Common Market countries. The U. S. also will negotiate on tariff rates which are covered by GATT agreements.

During the second phase, scheduled to begin early in 1961, the U. S. expects to negotiate for new tariff concessions with present GATT countries and new GATT countries.

FDA Standard for Canned Pineapple

The FDA announced in the *Federal Register* of September 1 that no objections having been received, its order amending the definition and standard of identity for canned pineapple will be effective October 18. The amendment permits the use of mint flavoring, spice, flavoring (other than artificial flavoring), and vinegar as optional ingredients. Text of the amendment was published in the INFORMATION LETTER of July 23, page 228.

N.C.A. Tomato Committee Sees Harvester Demonstrations

The Tomato Projects Subcommittee of the N.C.A. Raw Products Research Committee met at Purdue University August 24 for a special demonstration of the Food Machinery & Chemical Corporation's experimental tomato harvester and the harvester under development by the Hume Manufacturing Company.

Subcommittee members had opportunity to see the machines demonstrated on both the dwarf tomato variety Epoch and a breeding line of intermediate plant size. They were impressed by the substantial progress which has been made by these companies in developing harvesters, which will probably see use in commercial production of tomatoes for canning in the near future.

The Subcommittee was at Michigan State University August 25 for a demonstration of the experimental tomato harvester developed by Drs. Stout and Ries. This machine also shows definite promise for ultimate use in commercial tomato fields.

Members of the Subcommittee in general felt that the greatest need now is for intensified research on cultural practices, varietal breeding, and fruit handling to make possible practical commercial use of machine harvesting for canning tomatoes.

Meat Inspection Appointment

Dr. Robert K. Somers has been named associate director of the Meat Inspection Division of USDA. Effective September 1, he will succeed Dr. Clarence H. Pals who will become director of the Division following the retirement of Dr. Albert R. Miller late last month.

Feature in American Weekly Cites 35 Canned Products

"Can Opener Cooking" is the title of a dramatic double-page spread and full-color photo in the September 4 issue of *The American Weekly*, the Sunday supplement to 34 newspapers with 10 million combined circulation.

Food editor Amy Alden says of *Can Opener Cooking*: "It cuts the work in half—and offers a variety of very special dishes." Four menus are suggested, including a ladies' luncheon, company dinner, Sunday night supper, and family lunch.

Thirty-five canned products are listed in the recipes: apple juice, artichokes, asparagus, brown bread, chicken, chocolate nut roll, chocolate syrup, cream of chicken soup, cream of mushroom soup, evaporated milk, fruit cocktail, grapefruit sections, green beans, ham, hearts of palm, lemon juice, luncheon meat, mushrooms, peas, peach halves, pickled beets, pimientos, pineapple, pineapple juice, potato sticks, raspberries, ripe olives, sauerkraut, spiced crabapples, sweet cherries, sweet potatoes, tomatoes, tomato juice, tuna, and white potatoes.

Since only a limited supply of preprints of the article was available, copies were mailed by Dudley-Anderson-Yutzy this week only to members of the Administrative Council, Board of Directors, Consumer and Trade Relations and Consumer Service Committees, and the canning trade press. The mailings included a covering letter by Executive Secretary Carlos Campbell calling attention to the special glamor treatment given the industry products, and listing the 34 large Sunday newspapers that will publish the article.

The American Home

Appearing in the September issue of *The American Home* magazine is an article, "Watch For New Can Sizes!," pointing out that manufacturers have responded to consumers' demands for a wider variety of can sizes to meet family needs. A table of ready reference for common container sizes is also given.

The article begins: "You'll notice when you go shopping that manufacturers have responded to the demand for a wider variety of can sizes. For example, while the 7 oz. can of tuna is fine for the children's sandwiches, it's too small for a family casserole. Now there's a 9½ oz. can available. And a change shows up in larger 'family size' cans."

Using the present canning industry

recommendations for using weight or measure (which is on every label) to designate can sizes, the article states, "For those who have favorite old recipes, in which numbers are used to identify can sizes, we are publishing a table giving both the industry terms and consumer terms."

The table of common container sizes includes industry terms of can and jar sizes, and consumer description telling the approximate net weight or fluid measure and approximate cup measure. The principal products for each container size are also listed.

Culinary Review

"Canned Pears From Beginning To End," a photograph-food feature in the August issue of *Culinary Review* magazine, includes canned pears in 13 recipes. The article is attractively illustrated with black and white photographs of five of the recipes. The magazine is the chef's national magazine with a total circulation of approximately 5,000.

The article says in part, "While two and sometimes three pickings are made from a single tree, the season for ripe pears is relatively limited, and we are fortunate to have at our fingertips the finest quality of pears poached and canned in syrup to convert into an unlimited variety of dishes from appetizers, through salads and platter garnishes to a long list of regal and classic desserts."

Other canned foods included in the recipes are crushed pineapple, pimientos and anchovies.

A. T. Hipke

Alfred T. Hipke, 87, chairman of the board of A. T. Hipke & Sons, Inc., New Holstein, Wis., died August 23. Although he had been in failing health, he had been active until the time of his death.

Mr. Hipke was an incorporator of the New Holstein Canning Company in 1899 and served as its secretary-treasurer until 1917 when he became president. He continued in that office until 1959 when he became chairman of the board. The firm's name was changed to A. T. Hipke & Sons, Inc., in 1936.

A. T. Hipke was the last survivor of the 20 men who organized the Wisconsin Pea Packers Association in 1905. He served as president of that association for two years, 1916-17, and during his term the association was incorporated. Later the name was changed to Wisconsin Cannery Association.

Mr. Hipke is survived by four sons. Two, Gilbert and Richard, were associated with their father in the management of the canning company.

USDA Plentiful Foods List

The USDA Plentiful Foods List for October includes cranberries and processed cranberry products. The announcement notes the forecast of another record large cranberry crop this year.

Also on the October List are cheese, beef, potatoes, chicken, turkey, and rice.

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